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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
BOB STUMP, CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 JUN 11 P 2:05

ARIZONA CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUN 11 2014

ORIGINAL

DOCKETED BY

IN THE MATTER OF THE REORGANIZATION) DOCKET NO. E-04230A-14-0011
OF UNS ENERGY CORPORATION) DOCKET NO. E-01933A-14-0011

)
) **NOTICE OF FILING - LENDER**
) **CONSENT**
)
)
)

UNSE Energy Corporation¹ and Fortis Inc.² hereby submit notice that, pursuant to Condition 16 of the May 16, 2014 Settlement Agreement, the lenders in the UNS Energy credit facility have consented to the dividend restrictions set forth in Condition 16. A copy of the 8-K filing regarding that consent is attached.

RESPECTFULLY SUBMITTED this 11th day of June, 2014

UNSE ENERGY CORPORATION

By

Bradley S. Carroll
UNSE Energy Corporation
88 East Broadway Blvd., MS HQE910
P. O. Box 711
Tucson, Arizona 85702

and

¹ On behalf of itself and its affiliates UniSource Energy Services, Inc., Tucson Electric Power Company, UNS Electric, Inc. and UNS Gas, Inc.

² On behalf of itself and its affiliates FortisUS Holdings Nova Scotia Limited, FortisUS Inc. and Color Acquisition Sub Inc.

1 Michael W. Patten
2 Roshka DeWulf & Patten, PLC
3 One Arizona Center
4 400 East Van Buren Street, Suite 800
5 Phoenix, Arizona 85004

6 Attorneys for UNS Energy Corporation

7 and

8 Patricia Lee Refo
9 Snell & Wilmer, L.L.P.
10 One Arizona Center
11 400 East Van Buren Street, Suite 1900
12 Phoenix, Arizona 85004

13 Attorneys for Fortis Inc.

14 Original and 13 copies of the foregoing
15 filed this 11th day of June, 2014 with:

16 Docket Control
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 Copy of the foregoing hand-delivered/emailed
21 this 11th day of June, 2014 to:

22 Jane L. Rodda
23 Administrative Law Judge
24 Hearing Division
25 Arizona Corporation Commission
26 400 West Congress
27 Tucson, Arizona 85701

Brian E. Smith
Bridget A. Humphrey
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

1 Steve Olea
2 Director, Utilities Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007
6
7 Daniel W. Pozefsky
8 Chief Counsel
9 Residential Utility Consumer Office
10 1110 West Washington, Suite 220
11 Phoenix, Arizona 85007
12
13 C. Webb Crockett
14 Patrick Black
15 Fennemore Craig PC
16 2394 E. Camelback Road, Suite 600
17 Phoenix, Arizona 85016
18
19 Meghan H. Grabel
20 Arizona Public Service Company
21 P.O. Box 53999, MS 9708
22 Phoenix, AZ 85072-3999
23
24 Thomas L. Mumaw
25 Melissa Krueger
26 Pinnacle West Capital Corporation
27 P.O. Box 53999, MS 8695
Phoenix, AZ 85072-3393
Cynthia Zwick
Arizona Community Action Association
2700 N. 3rd Street, Suite 3040
Phoenix, AZ 85004
Nicholas J. Enoch
Jarrett J. Haskovec
Lubin & Enoch, PC
349 North Fourth Avenue
Phoenix, AZ 85003
Lawrence V. Robertson
P.O. Box 1448
Tubac, AZ 85646
Timothy M. Hogan
Arizona Center for Law in Public Interest
202 E. McDowell Road, Suite 153
Phoenix, AZ 85004

- 1 Jeff Schlegel
SWEEP Arizona Representative
1167 W. Samalayuca Drive
2 Tucson, AZ 85704-3224
- 3 Michael M. Grant
Jennifer A. Cranston
4 Gallagher & Kennedy, PA
2575 East Camelback Road, 11th Floor
5 Phoenix, AZ 85016-9225
- 6 Gary Yaquinto
Arizona Investment Council
7 2100 North Central Avenue, Suite 210
Phoenix, AZ 85004
8 Michael A. Curtis
William P. Sullivan
9 Larry K. Udall
Curtis, Goodwin, Sullivan, Udall & Schwabb, PLC
10 501 East Thomas Road
Phoenix, AZ 85012
11
- 12 Peggy Gillman
Mohave Electric Cooperative, Inc.
P.O. Box 1045
13 Bullhead City, AZ 86430
- 14 Joe L. Machado
Michael J. Massee
15 City Attorney's Office
777 N. Grand Avenue
16 Nogales, AZ 85621
- 17 Court S. Rich
Rose Law Group, PC
18 7144 E. Stetson Drive, Suite 300
Scottsdale, AZ 85251
19
- 20 Christopher Hitchcock
Law Offices of Christopher Hitchcock
P.O. Box AT
21 Bisbee, AZ 85603-0115
- 22 Jack Blair
Sulphur Springs Valley Electric Cooperative, Inc.
23 311 E. Wilcox Drive
Sierra Vista, AZ 85635-2527
24
- 25 Charles R. Moore
Navopache Electric Cooperative
1878 West White Mountain Blvd.
26 Lakeside, AZ 85929
- 27

1 Garry D. Hays
2 Law Offices of Garry D. Hays
3 1702 East Highland Avenue, Suite 204
4 Phoenix, AZ 85016

5 Giancarlo G. Estrada
6 Estrada-Legal, PC
7 One East Camelback Road, Suite 550
8 Phoenix, AZ 85012

9 By Jaclyn Howard
10
11
12
13
14
15
16
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): June 9, 2014

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification Number
1-13739	UNS ENERGY CORPORATION (An Arizona Corporation) 88 E. Broadway Boulevard Tucson, AZ 85701 (520) 571-4000	86-0786732
1-5924	TUCSON ELECTRIC POWER COMPANY (An Arizona Corporation) 88 E. Broadway Boulevard Tucson, AZ 85701 (520) 571-4000	86-0062700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

As previously reported, on January 10, 2014, UNS Energy and Fortis Inc. (Fortis) filed an application with the Arizona Corporation Commission (ACC) requesting that the ACC approve a proposed merger (Merger) in which UNS Energy would become an indirect wholly-owned subsidiary of Fortis.

On May 16, 2014, UNS Energy, Fortis, ACC Staff, the Residential Utility Consumer Office and other parties to the Merger proceedings entered into a settlement (Settlement) in which the parties agree that the Merger is in the public interest and recommend approval by the ACC, subject to certain conditions, including a condition that dividends paid from Tucson Electric Power Company, UNS Electric, Inc. and UNS Gas, Inc. (collectively, the Regulated Utilities) to UNS Energy cannot exceed 60 percent of the Regulated Utilities' respective net income for a period of five years or until such time that their respective equity capitalization reaches 50 percent of total capital (excluding any goodwill recorded) as accounted for in accordance with U.S. Generally Accepted Accounting Principles.

The dividend restrictions were contingent upon receiving necessary consents of the lenders in UNS Energy's credit facility, which consents were obtained as of June 9, 2014.

Completion of the Merger remains subject to: the approval of the ACC; the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; and the satisfaction of other customary closing conditions.

UNS Energy expects the Merger to close by the end of 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 11, 2014

UNS ENERGY CORPORATION

(Registrant)

/s/ Kevin P. Larson

Kevin P. Larson
Senior Vice President and Chief Financial Officer

Date: June 11, 2014

TUCSON ELECTRIC POWER COMPANY

(Registrant)

/s/ Kevin P. Larson

Kevin P. Larson
Senior Vice President and Chief Financial Officer